

**DISCUSSION/ACTION
OCTOBER 18, 2002**

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #03-06

TALENT INCENTIVE PROGRAM RECOMMENDED CHANGES

Talent Incentive Program

Recommended Changes

A work group consisting of representatives of the Wisconsin Association of Student Financial Aid Administrators (WASFAA), the Wisconsin Educational Opportunity Programs (WEOP) Office, and the Higher Educational Aids Board (HEAB) began meeting in December of 2001 to discuss possible changes to the Talent Incentive Program (TIP). The intent of the group was to review the program to identify obsolete language and potentially any other necessary changes related to administering the program. The group met numerous times in the months that followed and recently completed its work. Following you will see a listing of the various issues we discussed as well as the recommendations that were formulated. Some of the recommendations were implemented immediately. The other recommendations require Administrative Rule changes. Those changes must go through the legislative rule change process. For your review, a copy of the recommended rule changes is included below.

Recommendations

HEA 5.04(1)

I. Further define HEA 5.04(1).

Under a, EFC levels were examined by dependency status. The following was found:

Single independent initial TIP (105) recipients comparing \$1200 EFC vs. \$200 EFC*:

EFC less than or equal to \$200 = 92 students or 87.6%

EFC greater than \$200 and less than or equal to \$1200 = 13 students or 12.4%

EFC greater than \$1200 = 0 students or 0%

***Note that the \$1200 EFC level, when originally established, was tied to federal methodology that has since been adjusted to better reflect the financial strength of the single independent student.**

RECOMMENDATION: Lower Single Independent EFC maximum from \$1200 to \$200.

REQUIRES RULE CHANGE.

Dependent initial TIP (976) recipients comparing PC vs. EFC:

EFC greater than 200 = 143 students or 14.7%

RECOMMENDATION: Maintain current use of PC.

Under b and c, the elimination of both b and c was considered after the review of all the recipient EFCs (including the students who met the b and c criteria) to determine if all the EFCs fell within the designated ranges under a. Under b, the replacement of "AFDC," which is obsolete, with "TANF/W2" was also considered. Under c, including married students was considered.

The following was found:

Initial TIP (1,528) recipients falling within current designated contribution ranges*:

Contributions within current designated ranges = 1,514 students or 99.1%

***Note that the criteria under b and c are used to prioritize awarding.**

RECOMMENDATION: Maintain current use of b and c. Replace "AFDC" with

"TANF/W2" under b. Include married students under c. REQUIRES RULE CHANGE.

II. The issue of evaluating income levels was examined. Currently the federal income grids to measure poverty levels are being used as an additional financial need screening process. The elimination of this income grid use was considered. The EFC levels were examined to determine if the incomes of students with qualifying EFCs fell within the qualifying income grid levels.

The following was found:

FAFSA Filers who met the contribution requirements, but whose income exceeded the grid by more than the currently used buffer of \$5000 = 24 students out of 153,042 or 0.16%

RECOMMENDATION: Eliminate the use of the income grid when considering applicants for TIP. HAS BEEN IMPLEMENTED

HEA 5.04(2)

III. Under a, the redefinition or clarification of "minority populations" was considered.

RECOMMENDATION: Include the statutory definition for Hispanic and add "Hmong" as clarification for Laos in the Policy and Procedure Manual as well as in any other written documents related to the TIP program. HAS BEEN IMPLEMENTED.

IV. Under d, the expansion of the scope of "handicapped" was considered.

RECOMMENDATION: Add the language "and/or according to the Special Needs or Disabilities Office on Wisconsin college or university campuses which use the American Disabilities Act definition." REQUIRES RULE CHANGE.

V. Under e, consideration was given to obtaining and using "shared files" of incarcerated students.

RECOMMENDATION: Continue to provide information about the program to the Education Coordinator within the Corrections System. HAS BEEN IMPLEMENTED.

VI. Under f, the adjustment or further defining "student environment/academic background" was considered.

RECOMMENDATION: Change "and" to "and/or." REQUIRES RULE CHANGE.

HEA 5.05(1)

VII. Requiring continuing TIP recipients to meet disadvantaged student criteria was considered. EFC levels were examined to determine whether or not to require continuing students to meet the disadvantaged student criteria first-time freshmen are required to meet. The following was found:

Continuing TIP (3,135) recipients who meet the initial TIP contribution requirements:

Dependent with PC of \$200 or less = 1,931 out of 2,058 or 93.8%

Independent, single, with EFC of \$1200 or less = 239 out of 286 or 83.6%

Independent, with family, and EFC of \$200 or less = 621 out of 791 or 78.5%

Total for all continuing TIP recipients who meet the initial TIP contribution requirements = 2,791 or 89.02%

RECOMMENDATION: Maintain current eligibility criteria for continuing students.

HEA 5.05(2) and 39.435(2)

VIII. The elimination of the continuing enrollment criteria thereby allowing students to be considered for eligibility even if they did not first receive the grant as a new student was considered as well as further defining "first-time freshmen" as anyone who has not completed their first year.

RECOMMENDATION: More information and discussion are necessary (as well as possibly additional funding) before a change is to be considered.

Other

- IX. Processes to better identify transfer students and forewarn schools of their existence were considered.

RECOMMENDATION: HEAB is to reiterate information related to the coding of transfer students on notification lists that are provided to schools. HEAB is to investigate the possibility of providing an electronic database that includes the history of TIP recipients. HAS BEEN IMPLEMENTED (INFORMATION HAS BEEN REITERATED AND THE ELECTRONIC DATABASE IS BEING INVESTIGATED).

- X. Processes to better streamline paperwork tied to the program application process were considered.

RECOMMENDATION: Beginning August 1, 2002, schools are to be requested to begin submitting school recipient nominations directly to HEAB for review and data entry rather than to WEOP. HEAB will provide monthly reports to schools related to the nominations submitted to date. HAS BEEN IMPLEMENTED.

- XI. Ways to address the tenth semester voucher issue were discussed.

RECOMMENDATION: HEAB is to explore ways to resolve this system related issue. RESOLUTION IS BEING SOUGHT.

Please note that all data included in this document was collected from 2000-01.

Recommendations Requiring Administrative Rule Changes

Note: Deleted language is stricken. Added language is underlined.

Wisconsin State Administrative Code Talent Incentive Program Grant (TIP)

The administrative rules for the TIP Grant are contained within the rules for WHEG. Rules **HEA 5.04 and 5.05** are specific to the TIP Grant:

CHAPTER HEA 5 - WISCONSIN HIGHER EDUCATION GRANTS

HEA 5.04 Talent Incentive Grant Eligibility. To be eligible for an initial grant award, a uniquely needy student shall be a Wisconsin resident, a first-time freshman and meet at least one criterion under sub. (1) and one criterion under sub. (2). The minimum award a freshman can receive will be \$600 with the maximum being \$1,800.

1. Financial Need Criteria.

- a. A dependent student whose expected academic year parent contribution is \$200 or less, ~~or a single independent student with a minimum contribution of \$1,200~~, or an independent student ~~with dependents~~ whose academic year contribution is \$200 or less.
- b. The family of a dependent student or the student, if independent, is receiving ~~AFDC~~ TANF/W2 benefits.
- c. The parents of dependent students or the student, if independent, are ineligible for unemployment compensation and have no current income from employment.

2. Non-traditional Student Status Criteria.

- a. The student is a member of one of the minority groups defined in s. 39.44 (1) (a), Stats.
- b. The student is or will be enrolled in a special academic support program due to insufficient academic preparation.
- c. The student is a first-generation post-secondary student, neither of whose parents graduated from a 4 year college or university.
- d. The student is handicapped according to Department of Workforce Development, Division of Vocational Rehabilitation records and/or according to the Special Needs or Disabilities Office on Wisconsin college or university campuses which use the Americans With Disabilities Act definition.
- e. The student is currently or was formerly incarcerated in a correctional institution.
- f. The student's environmental and/or academic background are such that they deter the pursuit of educational plans.

HEA 5.05 Continued Talent Incentive Grant Eligibility.

1. To continue to receive a grant after the freshman year, the student shall maintain half-time status per academic term and academic progress towards a degree, diploma or certificate as determined by the institution the student is attending. The minimum award shall be set annually by the board for sophomores, juniors and seniors.
2. The student shall maintain continuous enrollment from semester to semester, or quarter to quarter, to remain eligible for a grant award for the sophomore, junior and senior years. Exceptions to this requirement shall be made by the executive secretary and will be for illnesses or disabilities which prevent attendance. All such exceptions will be certified by a doctor. No more than 12 months exception from the continuous enrollment requirement will be authorized by the executive secretary.

Wisconsin State Statutes Talent Incentive Program Grant (TIP)

Statutes for the TIP Grant are contained within the statutes for WHEG. Statute **39.435(2)** is specific to the TIP Grant:

39.435(2) The board shall award Talent Incentive Grants to uniquely needy students enrolled at least half-time as first-time freshmen at public and private nonprofit institutions located in this state and to sophomores, juniors and seniors who received such grants as freshmen. No grant under this subsection may exceed \$1,800 for any academic year. The board may not award a grant to the same student for more than 10 consecutive semesters or their equivalent. The board shall promulgate rules establishing eligibility criteria for grants under this subsection.